

**From:** egge0101@umn.edu [mailto:egge0101@umn.edu]  
**Sent:** Saturday, October 22, 2005 4:10 AM  
**To:** ATR-Real Estate Workshop  
**Subject:** Real Estate closer to commodity than monopoly

In the US, the real estate industry sees cut-throat competition. In fact, this competition is fierce enough where Realtor codes of conduct as well as various laws and regulations ensure that real estate brokers and their agents are not being unethically cut-throat in their competition.

The MLS cooperative is not a public utility. It did not require government money and is not financially supported by government. It is a model of free enterprise and market efficiency. Instead of stifling competition, the MLS works to ensure that small businesses (independent brokers and salespersons) are able to compete nondiscriminantly with large brokerage firms. It enables innovation, diverse business models, and freedom for property owners to control how they go about selling their home. The MLS encourages competition, helps small business creation, and facilitates market price clearing.

Just because an option may be abused does not mean it should be banned. I use Claritin-D for my allergies which happens to be useful for meth production, and I drive on roads in my neighborhood that drug-dealers openly use at night. Just because medicine, roads, or the "opt-out" option can be abused does not mean we should eliminate these things. Real estate brokers and their agents function to protect customer interests in highly complex and important transactions. "Opt-out" allows consumers added security by working to reduce the number of people who have access to key information about their home to those who have a legitimate business need to know (internet-based firms lack inherent security measures).

One of the key issues with internet technology is its tendency to create monopolies and monopsonies. To sell something via auction, the only economical choice is e-bay. Pay e-bay's price and use e-bay's business model, or sell it at a discount. In real estate, there are thousands of brokerages to choose from. DOJ is wasting taxpayer resources in going after a clearly competitive market. The worst part is that DOJ has far more significant concerns than destroying the consumer choice that opt-out creates. It is a violation of a licensed real estate agent's fiduciary duties to "opt-out" if the customer does not wish. Perhaps part of the reason so many American customers "opt-out" is because they recognize the stifling of competition that internet-based firms have a seemingly natural propensity for (e.g. e-bay or Monster). This would eliminate the market price clearing benefit of the MLS and ultimately create upward price pressures for services in the real estate market. Who is the DOJ to question legal and moral American consumer decisions?

There are plenty of well-known monopolies, oligopolies, oligopsonies, and monopsonies for the DOJ to pursue, so stop wasting time and resources on the NAR. A few suggestions I would include are:

- Microsoft
- College/University accreditation associations

- DeBeers
- Wal-Mart
- Coca-Cola and Pepsi
- RIAA
- Lockheed-Martin and Boeing

Best regards,  
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